This material contains information affecting the INFORMATION REPORT National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation PREPARED AND DISSEMINATED BY of which in any manner to an unauthorized person is prohibited by law 25X1A2g CENTRAL INTELLIGENCE AGENCY COUNTRY Germany (Fed Rep) DATE DIST SUBJECT MAY: Hermann C Starck Negotiations to Build Pilot NO. OF PAGES NO. OF ENCLS. Plant in US to Produce Tantalum Powder NT TO REPORT # 25X1A6a PLACE ACQUIRED (By source) 25X1A2g RESPONSIVE TO DATE OF INFORMATION (Date or dates, on or between which, events or conditions described in report existed) Late 1954 Late 1954 25X1X6 THIS IS UNEVALUATED INFORMATION SOURCE 1. A large US company interested in the processing of tantalum, tungsten, and molybdenum is negotiating with the Herman C Starck Company, Goslar, Germany (Fed Rep) for the Starck Company to supply it capacitor grade tantalum powder. The US company, to furnish Starck with engineering information on the proper grades of tantalum powders to be used. 2. Because Starck is just seven miles from the Soviet border, the US company is fearful that their supply might be cut off. It wants Starck to furnish the know-how to set up a pilot plant in the US. This pilot plant is to be used only in case of an emergency and to be owned jointly by Starck. 3. Starck will not agree to joint ownership because they do not want to share their know-how with a US manufacturer. They did agree to furnish the US company with tantalum powder and to build a pilot plant in the US. However, this pilot plant is to be wholly owned by Starck. 4. The negotiations between these two companies were originally instigated by a large US import-export company. ADDITIONAL INFORMATION ON THE HERMANN'C STARCK COMPANY 5. Cooperation exists between Messrs Starck and Gesellschaft für Elektrometallurgie, especially in the field of basic research and product development which is being carried on in a jointly-owned research institute at Nürnberg. This institute adjoins Gesellschaft für Elektrometallurgie's Nürnberg works which is also active in the tantalum and columbium field. 6. A friendly research liaison is also maintained between Starck and Metallwerk Plansee in Reutte, Austria. Dr Heinz Gehm, the chairman and active head of Elektrometallurgie is also deputy chairman on the board of Metallwerk Plansee. 7. The London and Scandinavian Metallurgical Company, Ltd, and Messrs Starck are operating a jointly-owned company in the UK for the manufacture of hardmetal intermediates and related products. TYPE ACT-BATE INFO-TFR-DATE AREA Starch co. 40-53.4 - end -25X1A6a DISTRIBUTION STATE NAVY NO DISSEM ABROAD

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